

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 04/19/2012
POSITION: Neutral

BILL NUMBER: AB 1601
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BILL SUMMARY: Oil spill prevention: nontank vessel: certification of financial responsibility

Existing law requires the Department of Fish and Game (DFG) to collect a Certificate of Financial Responsibility fee from an operator of a non-tank vessel. The fee is currently set through regulations at \$3,250.

This bill would establish a base fee, not to exceed \$3,250, for non-tank vessels and authorize DFG to annually adjust the fee based on the California Consumer Price Index (CPI).

FISCAL SUMMARY

Currently, DFG collects a \$3,250 fee from non-tank vessels over 300 gross tons coming into California marine waters. The fee payment is good for two years and is based on the cost of administering the non-tank vessel program. DFG collects approximately \$7.2 million annually in non-tank vessel fees and the revenue is deposited into the Oil Spill Prevention and Administration Fund (OSPAF).

The bill would authorize DFG to adjust the non-tank vessel fee based on the CPI. On average, the CPI has increased over the past 20 years about 2.8 percent annually. Using this percentage, the non-tank vessel fee would increase to \$3,341 in 2013, resulting in an additional \$201,600 in revenue to the OSPAFA.

COMMENTS

The Department of Finance is neutral on the bill as it would allow DFG to adjust the non-tank vessel fee, based on the CPI, to ensure there continues to be sufficient funding to implement the program.

Non-tank vessels make up a significant portion of DFG's oil spill prevention and inspection workload. On average, DFG processes over approximately 950 non-tank vessel oil spill contingency plans annually, as compared to approximately 350 tank vessel plans. Furthermore, several high profile significant oil spills in California were from non-tank vessels including the Stuyvesant and Kure spills in Humboldt Bay, and the Cosco Busan spill in San Francisco Bay.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					
	LA	(Dollars in Thousands)					
	CO	PROP					Fund
	RV	98	FC	2011-2012 FC	2012-2013 FC	2013-2014	Code
1256/Othr Reg Fee	RV	No		----- See Fiscal Summary -----			0320
<u>Fund Code</u>	<u>Title</u>						
0320	Oil Spill Prevention & Administration Fd						

Analyst/Principal (0634) K.Gmeinder	Date	Program Budget Manager Karen Finn	Date
Department Deputy Director			Date
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)